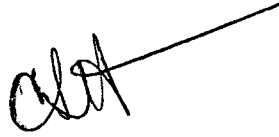


**TOWN OF OCEAN VIEW
DELAWARE**

June 2, 2026

TO: Mayor and Council
FROM: Carol S. Houck, Town Manager 
Subject: General Obligation Bond Sale – Process Update; Seeking Council Support

As we move through the ordinance introduction, readings and public hearing process prior to a vote regarding our borrowing for long life infrastructure projects via the sale of General Obligation Bonds, I wanted to share that we've been moving along and making determinations as necessary to facilitate the borrowing, if ultimately supported by Council. Dates of interest include the 1st reading and public hearing of June 9th, and the 2nd Reading and public hearing of July 14, 2026 (directly followed by a vote of Council).

Prime considerations recently discussed with our financial advisors from PFM include:

- **Selection of an Underwriter**

The underwriter fills the gap between PFM, our financial advisors and the investors.

There are two ways to go about this selection. One is a competitive online auction where underwriters submit bids to the online auction. The other is to enter into a negotiated bidding effort with a single underwriter. Both have pros and cons, of which the condition and sensitivity of the market may impact.

At time of writing, the interest rate market has experienced some volatility, suggesting having more flexibility might be prudent, which a negotiated bidding process can provide. It also allows our Financial Advisors (Garrett Moore and Jamie Schlesinger of PFM), PFM's dedicated pricing group and the underwriter the opportunity to more fully consider any market sensitivity immediately prior to sale. Competitive bidding provides less flexibility in that we will get the bids that are submitted and the lowest bidder will be awarded the bonds, with no firm understanding of the market considerations taken (for example, any opportunity to delay sale in association with market conditions). In addition, if more orders from investors are received than what we have bonds to sell, the negotiation option allows for efforts to take place to push for lower interest rates.

Ocean View currently has a AA+ Bond rating, and we feel confident this rating will be maintained during this process. We're required to obtain an updated rating in association with a GO Bond sale. Our consultants feel that our bond sale will be popular due to the

debt level being less than \$10 million, and the limited “bank qualified debt” issuance currently available in Delaware for interested investors.

The underwriter gets paid a commission based on the size of the bond deal. Typically \$X per bond. For instance, PFM negotiated a commission of \$7 per bond for Georgetown. The commission is part of the proceeds of the bond issuance. It's included in the services provided by PFM is to negotiate that commission on our behalf.

At settlement, the underwriter will wire the full amount of the bonds to the paying agent (see below) who will in turn remit all the various professional fees and the remaining balance (project funds of approximately \$6.78 million) to the Town.

Either will get the job done, but under the current circumstances, **it's my intent to utilize the negotiation route with Stifel Public Finance.** Our Charter doesn't require a specific process, and with flexibility in mind, the negotiation route appears to be in the Towns best interest.

- **Selection of a Paying Agent**

The paying agent (a bank) is the entity that handles the payout to those who've invested in our bonds vs. the Town having to do so. For instance, if 1,000 investors participated in our sale, the paying agent handles the check processing. The Town then simply make's a semi-annual debt service payment to the paying agent. The paying agent is a fairly low cost item in regard to professional fee's, estimated at \$750 a year until the bonds are paid off.

As such, it's our intent to utilize Wilmington Trust, a Delaware bank that is qualified to serve as our paying agent.

Important Aspects of the Borrowing Effort:

- **No Referendum Required**

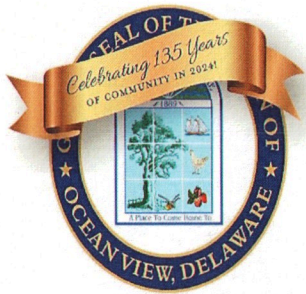
As advised during our budget process, there's no requirement to hold a referendum for this effort as the amount we've identified for the GO bond sale falls below .5% of our total assessed value for the Town. The amount of \$7,250,000 (the cost to complete all identified and suitable projects) falls \$500,000 below the requirement to hold a referendum.

- **Debt Service Paid with Existing Trust Funds**

Also as noted in prior meetings and documents, the recommendation to borrow via General Obligation Bonds was made in association with our intent to **utilize two existing trust funds (the very trusts that currently fund infrastructure) to pay the debt service.** No tax rate increase will be required, and we'll get the projects done sooner (before the cost to do so

increases in out years, or issues worsen) and our anticipated bond rate will result in a low cost to borrow.

In closing, absent direction to the contrary, and pending a supportive vote of Council on July 14, 2026, I will move forward with the process to select an underwriter (Stiffel Public Finance) via a successful negotiation effort and enter an agreement with Wilmington Trust to serve as paying agent.



Stifel Public Finance Introduction & Delaware Presence

May 2026

Chris Hoffert
Director
(717) 740-4406
hoffertc@stifel.com

STIFEL | Public Finance

Stifel Public Finance Overview

2025 Public Finance Negotiated Rankings



National Lead Managed Financings 2025 Negotiated Issues (Ranked by # of Issues)

| Rank | Firm | # of Issues | Mkt. Share | Par Amount (US\$ mil) |
|------|----------------|-------------|------------|-----------------------|
| 1 | STIFEL | 836 | 13.9% | \$ 25,742.3 |
| 2 | Raymond James | 520 | 8.7 | 27,343.7 |
| 3 | Piper Sandler | 485 | 8.1 | 18,233.2 |
| 4 | BofA | 434 | 7.2 | 67,677.4 |
| 5 | RBC | 431 | 7.2 | 45,805.5 |
| 6 | D A Davidson | 358 | 6.0 | 6,835.3 |
| 7 | Baird | 305 | 5.1 | 7,029.1 |
| 8 | J P Morgan | 251 | 4.2 | 43,464.9 |
| 9 | Jefferies | 213 | 3.6 | 33,075.2 |
| 10 | Morgan Stanley | 190 | 3.2 | 36,927.5 |

Source: SDC (Full to Book Equal if Joint) negotiated transactions ranked by number of issues. As of January 2, 2026.

National Distribution Platform

| Private Client Group | | Institutional Sales & Trading | |
|----------------------|------------|---------------------------------------|------|
| Offices | 400+ | Committing Centers | 7 |
| Professionals | 2,300+ | Muni Underwriters | 10 |
| States | 49 | Muni Institutional Sales Associates | 30+ |
| Client Assets | \$450+ bil | Muni Institutional Trading Associates | 10+ |
| Client Accounts | 1.8 mil | Global Fixed Income Sales Associates | 280+ |

STIFEL | Public Finance

First to Underwrite 1,000 Negotiated Municipal Bond Sales in a Single Year

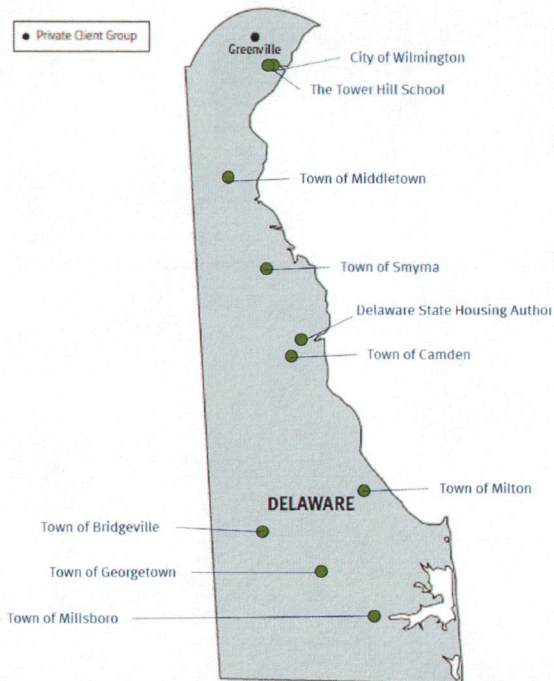

— Source: Thomson Reuters - SDC

In 2025, for the 12th consecutive year, *Stifel ranked #1 serving as senior or sole manager for negotiated public municipal bond issues*, annually pricing more than one in every ten issues in the nation on a Stifel desk. Furthermore, in 2025 *Stifel ranked as a top 10 underwriter by issued par.*


Commitment to Delaware

Stifel's Demonstrated Commitment to Coverage of Delaware Issuers


- Stifel's Greenville office is home to 7 employees, including retail professionals managing over 1,300 accounts and over \$260 million in assets.
- Our national brokerage network currently holds \$58 million of Delaware issuers' bonds.
- Since 2020, Stifel has conducted retail and institutional trades totaling over \$2.3 billion of Delaware Issuers' bonds. This information can indicate a natural source of demand for future DE based issuance.


\$78,595,000
City of Wilmington
General Obligation Bonds
Delaware
2025 Issue
Co-Manager




\$16,685,000
Town of Georgetown
General Obligation Bonds
Delaware
2025 Issue
Sole Manager




\$180,000,000
Delaware State Housing Authority
Single Family Mortgage Rev Bonds
Delaware
2025B Issue
Co-Manager




\$36,550,000
Town of Bridgeville-Heritage Shores
Special Obligation Bonds
Delaware
2024 Issue
Sole Manager




\$15,280,000
Town of Milton-Granary at Draper Farm
Special Assessment Bonds
Delaware
2024 Issue
Sole Manager




\$9,690,000
Town of Smyrna
General Obligation Bonds
Delaware
2023 Issue
Sole Manager




\$19,955,000
Town of Millsboro
General Obligation Bonds
Delaware
2021 Issue
Sole Manager




\$3,055,000
Town of Georgetown
General Obligation Bonds
Delaware
2021 Issue
Sole Manager




\$8,640,000
Town of Smyrna
General Obligation Bonds
Delaware
2020 Issue
Sole Manager



\$2,525,000
Town of Camden
General Obligation Bonds
Delaware
2020A & 2020B Issue
Sole Manager



\$15,840,000
Town of Middletown
General Obligation Bonds
Delaware
2020 Issue
Sole Manager



\$93,455,000
City of Wilmington
General Obligation Bonds
Delaware
2020A & 2020B Issues
Co-Manager

Stifel's Delaware Coverage Team

Delaware Government Banking Coverage



Chris Hoffert
Director
(Lancaster, PA)
State & Local Govt

- 20+ years of municipal bond experience
- Education: B.S.B.A. Finance - Shippensburg
- FINRA Licenses: Series 7, 50, & 63

Phone Number: (717) 740-4406
Email: hoffertc@stifel.com



Brooke Levengood
Analyst
(Conshohocken, PA)
State & Local Govt

- 1+ years of experience; research and quantitative support
- Education: University of Scranton
- FINRA Licenses: Series 50, 52, & 63

Phone Number: (610) 567-1902
Email: levengoodb@stifel.com



Mark Quinn
Managing Director
(Conshohocken, PA)
State & Major Govt

- 26+ years of municipal bond experience; joined Stifel in 2017
- Education: Rider University, NJ
- FINRA Licenses: Series 7, 50, 53, & 63

Phone Number: (610) 567-1985
Email: quinnmf@stifel.com

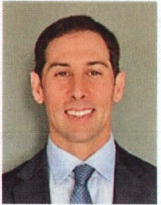


Kirsten Krug
Managing Director
(Conshohocken, PA)
State & Major Govt

- 23+ years of municipal bond experience; joined Stifel in 2023
- Education: University of Pennsylvania
- FINRA Licenses: Series 79, 52, 53 & 63

Phone Number: (610) 567-1906
Email: krugk@stifel.com

Underwriting



Geoff Kobayashi,
Managing Director
(St. Louis)

- 20+ years of municipal trading experience
- Mid-Atlantic underwriter
- Education: University of Michigan
- FINRA Licenses: Series 7 & 63

Phone Number: (314) 342-2740
Email: kobayashig@stifel.com



Nick Tripician,
Managing Director
(Philadelphia)

- 20+ years experience
- Education: University of Pennsylvania
- FINRA Licenses: Series 7, 53 & 63

Phone Number: (215) 861-7165
Email: tripiciann@stifel.com

Delaware Housing



Gina DiMartino,
Director
(St. Louis)

- 19+ years experience
- Education: Southeast Missouri State
- FINRA Licenses: Series 50, 52, 63 & 79

Phone Number: (314) 342-7366
Email: dimartinog@stifel.com

Delaware Econ. Development



Emily Metzler,
Managing Director
(Columbia, MD)

- 20+ years experience
- Education: Clarion University
- FINRA Licenses: Series 50, 52, 54 & 63

Phone Number: (667) 506-5871
Email: metzlere@stifel.com

What does an Underwriter Do?

A Bond Underwriter's primary role in a financing is to purchase securities for distribution in an arm's-length commercial transaction. An Underwriter has a duty to purchase securities from an issuer at a fair and reasonable price but must balance that duty with its duty to sell municipal securities to investors at prices that are fair and reasonable.

Responsibilities of the Underwriter in a negotiated transaction:

- Development of the plan of finance and bond structure
- Assessing market conditions and its impact on timing
- Assisting with the rating agency strategy/process
- "Running numbers" – providing quantitative analysis of financing
- Reviewing offering documents
- Managing the pre-marketing and pricing process
- Ultimately, setting the interest rates through the sale of the securities to investors
- Using its own capital to "underwrite" unsold balances to support the transaction
- Provides proceeds at closing and obtains funds from the investors
- Can work collaboratively with an independent registered municipal advisor

And most importantly: Make you look good to your constituents!

Choosing A Bond Underwriting Firm: The Bond Underwriting team is selected by the Issuer

The issuer should evaluate several factors when choosing its bond underwriter such as the underwriting firm's reputation, the individual qualifications and technical abilities of the banking team, ongoing banking coverage and outreach, demonstrated distribution capabilities, professionalism, capacity to commit its own capital and competitive fees.

Why Stifel?

Proven ability to provide unmatched service and deliver strong pricing results

▪ Unmatched experience

- In 2025, Stifel underwrote more than 800 lead managed issues, **an average of 15+ each week**

▪ Real retail distribution

- In addition to our strong institutional distribution capabilities, Stifel routinely brings true retail participation in our local government issues which can lower borrowing cost on the margins, where every basis point matters.

▪ We Pay Attention to the Details

- Stifel's reputation in the industry is one of strong, detail-oriented technical bankers that work cohesively with the financing team.
- We're problem solvers. We strive to bring ideas that provide tangible and intangible value wherever we can.

Stifel's Underwriting Philosophy

- Communication, flexibility, and transparency
- Collaboration with the Issuer's financing team and members of the underwriting syndicate
- Thoughtful structuring, marketing and sale of bonds, resulting in unmatched pricing capabilities
- Willingness to underwrite unsold balances in support of our municipal clients even in challenging markets to provide the most aggressive pricing possible
- Proven ability to strategically and successfully bring bonds to market even in volatile and challenging markets
- Ongoing support after bond sales, viewing each engagement as a long-term partnership

Case Study – Town of Georgetown, Delaware

\$16,685,000 – General Obligation Bonds, Series of 2025

Background

- On Thursday, January 30th, Stifel served as sole manager to the Town of Georgetown’s General Obligation Bonds, Series of 2025. The Bonds were issued to finance construction of the Town’s new police station and public works building as well as improvements to the Town’s Water and Sewer Systems.
- The Bonds received an “A1” underlying rating based on the Town’s credit quality.
- The Bonds were structured to provide aggregate level debt service amongst the Town’s General Fund, Water Fund and Sewer Fund.

Market Conditions

- The FOMC met the day before pricing and opted to keep rates steady after lowering rates 100 bps in a matter of four months at the end of last year.
- Municipal supply the week of pricing was \$8.7 billion, somewhat higher than the 2025 weekly average of \$7.7 billion.

Pricing Results

- Stifel pre-marketed the issue at very aggressive rates relative to other similar transactions in the market.
- 26 institutional investors as well as multiple retail accounts placed orders totaling \$96.7 million in par - **approximately 5.8x times the amount of bonds available.**
- The oversubscription **allowed Stifel to lower yields by as much as 10 basis points (0.10%)** across multiple maturities.

Pricing Progression

| Maturity | Int. BVAL (1 /30) | Pre-Pricing | | | Final Pricing | | | Adjustment |
|----------|----------------------|-------------|-------|--------|---------------|-------|--------|------------|
| | | Coupon | Yield | Spread | Coupon | Yield | Spread | |
| 2025 | 2.65 | 5.00 | 2.85 | 20 | 5.00 | 2.85 | 20 | 0 |
| 2026 | 2.71 | 5.00 | 2.92 | 21 | 5.00 | 2.92 | 21 | 0 |
| 2027 | 2.76 | 5.00 | 2.96 | 20 | 5.00 | 2.96 | 20 | 0 |
| 2028 | 2.79 | 5.00 | 3.01 | 22 | 5.00 | 3.01 | 22 | 0 |
| 2029 | 2.82 | 5.00 | 3.06 | 24 | 5.00 | 3.06 | 24 | 0 |
| 2030 | 2.87 | 5.00 | 3.12 | 25 | 5.00 | 3.12 | 25 | 0 |
| 2031 | 2.91 | 5.00 | 3.16 | 25 | 5.00 | 3.16 | 25 | 0 |
| 2032 | 2.96 | 5.00 | 3.21 | 25 | 5.00 | 3.21 | 25 | 0 |
| 2033 | 3.01 | 5.00 | 3.26 | 25 | 5.00 | 3.26 | 25 | 0 |
| 2034 | 3.06 | 5.00 | 3.34 | 28 | 5.00 | 3.31 | 25 | ↓ -3 |
| 2035 | 3.10 | 5.00 | 3.39 | 29 | 5.00 | 3.35 | 25 | ↓ -4 |
| 2036 | 3.16 | 5.00 | 3.46 | 30 | 5.00 | 3.43 | 27 | ↓ -3 |
| 2037 | 3.21 | 5.00 | 3.52 | 31 | 5.00 | 3.52 | 31 | 0 |
| 2038 | 3.27 | 5.00 | 3.59 | 32 | 5.00 | 3.58 | 31 | ↓ -1 |
| 2039 | 3.34 | 5.00 | 3.68 | 34 | 5.00 | 3.67 | 33 | ↓ -1 |
| 2040 | 3.40 | 5.00 | 3.76 | 36 | 5.00 | 3.75 | 35 | ↓ -1 |
| | | | | | | | | |
| 2045 | 3.70 | 5.00 | 4.20 | 50 | 5.00 | 4.10 | 40 | ↓ -10 |
| | | | | | | | | |
| 2050 | 3.85 | 5.00 | 4.37 | 52 | 5.00 | 4.27 | 42 | ↓ -10 |
| | | | | | | | | |
| 2054 | 3.91 | 5.00 | 4.44 | 53 | 5.00 | 4.34 | 43 | ↓ -10 |



Stifel’s Role

- Sole Manager

Reference

Gene Dvornick, Town Manager (302) 856-7391

Required Disclosures

Stifel, Nicolaus & Company, Incorporated (“Stifel”) has prepared the attached materials. Such material consists of factual or general information (as defined in the SEC’s Municipal Advisor Rule). Stifel is not hereby providing a municipal entity or obligated person with any advice or making any recommendation as to action concerning the structure, timing or terms of any issuance of municipal securities or municipal financial products. To the extent that Stifel provides any alternatives, options, calculations or examples in the attached information, such information is not intended to express any view that the municipal entity or obligated person could achieve particular results in any municipal securities transaction, and those alternatives, options, calculations or examples do not constitute a recommendation that any municipal issuer or obligated person should effect any municipal securities transaction. Stifel is acting in its own interests, is not acting as your municipal advisor and does not owe a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934, as amended, to the municipal entity or obligated party with respect to the information and materials contained in this communication.

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